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CIRCULATE

1. On 28 September 1951 two fishing vessels, the SSU LI and the TA LI, arrived at Macao from the Ryukyus with 200 tons of kerosene and gasoline and 5 tons of used shell cases. This cargo was purchased by the Nan Kuang Company and was stored in the T'ai-p'ing Warehouse for later shipment to Canton.
2. In late October 1951, 50,000 gallons of gasoline, procured for the Chinese Communists from a purchasing agency in Macao, were to be shipped from India on a c. o. d. basis.
3. To facilitate the movement from Shat'ouchiao (Sha Tau Kok, 114-14, 22-32) to Shench'uan (114-08, 22-32) of supplies smuggled from Hong Kong the Kwangtung authorities in mid-September ordered the Paoan (113-56, 22-32) government to construct a highway from Shat'ouchiao to Shench'uan, to be completed by mid-October 1951. In late September the Paoan authorities had recruited 1,000 civilian laborers between 25 and 45 years of age for work on this highway, which is to be 20 miles long.
4. In early September Chinese Communist representatives in Hong Kong purchased 32 cases of crude rubber, each case weighing 200 pounds. As of 24 September 42 of these cases had been sent from Hong Kong to Canton, and the remaining 40 cases were to be shipped later.
5. On 23 September 1951 Chinese Communist representatives in Hong Kong were trying to buy 22 tons of sulphur powder for military use on the Chinese mainland.
6. In mid-September Chinese Communist representatives in Hong Kong purchased a number of typewriters and microscopes, which were sent from Hong Kong to Canton for shipment to Tientsin.
7. On 24 September Chinese Communist buyers in Hong Kong purchased 1,000 reams

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| STATE | X | NAVY | X | NSRB | | DISTRIBUTION | ALUSNA | | CINCPACFLT | COMNAVFLT | MAIL | |
| ARMY | X | AIR | X | FBF | | ORR Ev | X | COMFLT | COLFLT | COMNAVE | CINCP | TRAF |

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-2-

of paper for shipment from Hong Kong to Canton.

8. A Chinese Communist steamship was scheduled to leave Tsingtao in late September 1951 for Swatow and Hong Kong with 2,000 tons of bean cakes for Swatow and 1,500 tons of ore for Hong Kong.
9. On 25 September 290 motor vehicles were scheduled for shipment by rail from Hengyang, (112-35, 26-56) to Peiping.
10. In late September 1951 there was a shortage of cloth in Shanghai and a shortage of medical supplies in Canton.
11. On 25 September the Dairen Diesel Oil Factory, Dairen, resumed operations. This factory has a monthly production capacity of 20,000 tons of oil.
12. On 27 September the price of cast iron in Shanghai was JMP 28,000,000 per ton.
13. In late September 1951 the Chinese Communist authorities prohibited the sale of iron pipe 6 inches and 8 inches in diameter without special government authorization.
14. In late September 80 tons of iron pipe arrived at Taku Bar, having been shipped by water directly from Antwerp, Belgium.
15. The Polish vessel MICKIEWICZ, scheduled to sail from Colombo, Ceylon, about 30 September, had a cargo of 5,000 tons of RSS/RMA (ribbed smoked sheet/Rubber Manufacturers of America) rubber sheets, valued at HK \$70,000,000. The cargo was for direct shipment to Taku Bar.²

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1. [REDACTED] Comment. Smuggling through Sha Tau Kok was reported in

25X1A

2. [REDACTED] Comment. According to another American agency, the MICKIEWICZ had a full cargo of 5,800 tons of rubber.

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